

Raised Bill No. 5331

Before the General Law Committee  
March 8, 2022  
Remarks of Jeffrey J. Mirman

Chairmen Maroney and D'Agostino, Ranking members Witkos and Rutigliano, and Members of the Committee.

Thank you for giving me the opportunity to speak to you today. My name is Jeffrey Mirman. I am a lawyer with the Hartford law firm of Hinckley, Allen & Snyder LLP. I appear today on behalf of my client Brescome Barton, Inc. Located in North Haven, Brescome Barton is Connecticut's largest wholesaler of alcoholic products.

I wish to speak in opposition to Raised Bill No. 5331. This legislation, if adopted, would permit foreign manufacturers of alcoholic products, that is, out-of-state manufacturers, to not only participate in sponsored festivals within Connecticut, but to completely upend the three-tiered system of the distribution and sale of alcoholic products in this State that has existed for almost 100 years. That system has worked to protect in-state manufacturers, distributors, retailers, and most importantly, consumers.

Under this proposed legislation, a foreign manufacturer would be permitted to sell at retail at any such festival its products at whatever price it chooses. Out-of-state manufacturers will sell outside of the quality control provisions of our statutes which are designed to protect consumers from counterfeit, tainted, or illegal alcoholic products, as products are tracked through the three tiered system if there was a product recall.

We also oppose that portion of the proposed legislation that would permit the holder of a "Craft Café" permit to "purchase from another holder of such a manufacturer permit any beer that such manufacturers brewed in collaboration with one another." This provision is odious because it permits the holder of the Craft Café permit to be the holder of multiple tiers of permits, which the legislation has historically sought to avoid because by permitting an entity to hold multiple tiers of permits there is a risk of domination of one class by another.

Moreover, both of these provisions threaten the existing franchise system, by permitting manufacturers to work around the exclusive rights of distributors regarding products.

We should keep in mind that, as our Connecticut Supreme Court has repeatedly reminded us, the purposes of the Liquor Control Act are "to promote temperance in the consumption of intoxicating liquor and, by stabilizing the industry, to encourage observance of the Liquor Control Act . . . ." *Eder Bros., Inc. v. Wine Merchants of Connecticut, Inc.*, 275 Conn. 363, 377 (2005). The Court emphasized the point: "a primary purpose of regulating pricing practices within the liquor industry is to prevent unfair competition . . ." *Id.*, at 376. Finally, the Court recognized that "the Liquor Control Act forbids certain pricing practices that could be harmful to wholesalers . . ." *Id.*, at 378. The proposals set forth in raised bill undermine all of these long-established goals of the Act.

The system has worked well for almost a century; there is no reason to undermine the system in order to benefit a few new entrants to the detriment of current participants and the public.

Thank you for the opportunity to speak on this important topic that requires close

scrutiny.

Jeffrey Mirman

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